



WHAT'S NEW IN TELECOM REGULATION

FUTURE DEVELOPMENT OF THE DUTIES AND THE ROLE OF FICORA

PROPOSALS FOR THE NEW COMMUNICATIONS LEGISLATION

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Telecommunications Forum, 20.11.2001

Finnish telecommunications regulation in relation to international practises

- about 50 SMP operators on the Finnish telecommunications markets
- licence required only for the parts that concern limited natural resources: licences for mobile networks and for TV and radio networks and programmes
- the operators' retail pricing is in practise not supervised
- ex post supervision of SMP operators' interconnection and subscriber line pricing (wholesale pricing)

- the regulator must in every case separately prove that the pricing is unreasonable, but the regulator can not determine reasonable pricing (e.g. a price cap regulation can not be given)
- all of the regulator's decisions are appealable (2 appellate levels)
- the operators must differentiate their network operations and service operations from each other (at this point accounting differentiation is not required)
- there are no specific universal service obligations on telecommunications operators

FICORA as a regulator

- **a true ofcom regulator**
- **extensive sphere of operations; from collecting TV fees to resolution of information security infringements (the entire communications area)**
- **the operation is financed by fees collected from operators and users**
- **the operation is organised with regard to the needs in the converging communications markets (profit areas: communications markets and services, communications networks and limited natural resources, e.g. radio frequencies)**

- in future, one of the main focuses will be communications security and prevention of information security infringements
- the goal is to promote the development of the information society in Finland

Communications regulation in relation to e.g. the competition and consumer policy

- a need for special regulation on markets, in which the network structures have characteristics similar to natural monopolies
- according to the decisions of the competition authorities in Finland, competition legislation does not in general cover assessment of unreasonable pricing, even if it concerns monopoly situations
- a natural scope of application for special regulation is assessment of the pricing of "bottle neck" commodities

- assessment of reasonable retail prices belongs primarily to the consumer and competition authorities (when restrictions of competition), but normally healthy competition ensures a reasonable price level
- one of the main focuses in communications regulation is supervision of the quality as well as the technical viability of communications services, networks and equipment (issuance of technical regulations and norms and coordination of standardisation)
- handling of separate complaints from consumers is usually within the consumer authority's territory

FICORA

- an expert organisation within electronic communications
- aims to safeguard the functionality and efficiency of the communications markets and to promote development of the information society in Finland.

FICORA's goals

FICORA aims to ensure

- healthy competition on the communications markets and that neither the operators nor the legislation in the field restrains the competitiveness of companies by setting restrictions of competition

- that users have access to communications services that are affordable and of good quality
- competitive markets in order to promote development of new services and technical solutions
- that electronic communications networks and terminal equipment are technically viable and secure
- communications security in networks and, in relation to this, protection of privacy of users and integrity as well as information security of transferred messages

- sufficient and equal availability of limited natural resources, such as radio frequencies, numbers in the communications networks and domain names, to all who need them
- that the content services provided within electronic communications comply with the regulations on European works, advertising and protection of minors
- the funding of public television and radio operation
- appropriate and affordable postal services throughout the country

Regulation of electronic communications

- important to understand how the market operates and to foresee new developments
- legislation and official activities create a secure framework for operations and provide an opportunity to efficiently intervene in problem situations
- regulation and government official activities follow the minimum regulation policy
- EU and other international obligations are taken into consideration

Development of FICORA's operation

–the focuses in the near future

A DUTIES OF THE INFORMATION SECURITY AUTHORITY

- information security in communications networks and systems
- information security in telecommunications companies
- information security in telecommunications (protection of communications, identification of users)

COMSEC

communications security

-safeguarding confidentiality, integrity and accessibility of information transferred through information systems

-electronic signatures and electronic commerce

- laws and regulations
- information
- specific inspections
- supervision of certificate authorities providing qualified certificates
- standardisation

CERT information security infringements

-prevention of information security infringements

- **active information services**
- **information security issues
are taken into account in
regulations relating to
information networks**

-detection of information security infringements

- **customer service (e.g. a 24-
hour phone number and e-mail
address)**
- **registration and handling of
notifications**

-resolution of information security infringements (e.g. guidelines for service providers)

- activation of service providers (e.g. filtering of IP traffic)**

- assistance in the police detection work**

General

-preparation of legislation

-cooperation with interest groups (Comsec and CERT – working groups, CERT CC and Funet Cert, international cooperation)

B ECONOMIC REGULATION

- 238 pending matters, of which 99 complaints and 139 started on own initiative**

- inspection of cost accounting and differentiation of operations in telecommunications companies in fall 2000 (in accordance with MINTC's request for investigation)**

- creation of an explicit model for assessment of reasonable pricing on the basis of precedents of the court of law and development of economic operation analysis**

- future operation is focused on pre-emptive steering and market operation follow-up, instead of dispute processes**

C REFORM OF DOMAIN NAME ADMINISTRATION

- KPNQwest's duties transferred to FICORA**
- the domain name administration process will be alleviated (the new act on domain names)**

D MEDIA SUPERVISION

- convergence in communications networks (the content of the communications market act) and new duties relating to supervision of network operators**
- media follow-up and operation on own initiative as well as giving guidelines will be increased**

E PREPAREDNESS FOR NEW SMP DECISIONS (directive reform in EU)

- enhancing the market knowledge (structures and operators)**
- development of competition analysis**

F ELECTRONIC COMMERCE

-FICORA supervises service providers:

- the general duty to notify (name, address, contact information, e.g. e-mail address, etc.)**
- the duty to notify in connection with orders (technical details of making an agreement, etc.)**
- compliance with certain principles in connection with orders (notification of receiving the order, etc.)**

G THE POSTAL AREA

- integration of the checking unit of undeliverable postal items**
- measurements of the quality of service**
- supervision of pricing (NB! The decisions of the Finnish Competition Authority)**

H DEVELOPMENT OF STANDARDISATION SYSTEMS

- The Ministry of Trade and Industry proposes establishment of a standardisation centre**
- will not interfere in electrical and telecommunications standardisation**

I RADIO ADMINISTRATION

-the use of radio frequencies is increasing

mobile communications and industry, trade, transport, the service sector, municipal engineering (automation and rationalisation)

-preparation for ITU's World Radiocommunications Conference (WRC) 2003

-more efficient use of the frequencies for TV transmissions (preparation for ITU's regional radiocommunications conferences in 2004 and 2005)

- the project to improve the working methods in radio administration (a system to administer licences and fees granted to users of radio transmitters)**
- more efficient market surveillance**